

Message Text

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FM SECSTATE WASHDC

TO AMCONSUL MONTREAL

UNCLAS STATE 012331

E.O. 11652: N/A

TAGS: EAIR, ICAO

SUBJECT: REPORT OF THE SECOND SESSION OF THE ICAO PANEL
ON ROUTE FACILITY COST ACCOUNTING AND COST ALLOCATION
(AT-WP/1192 AND AT-WP/1193)

FOR US REP ICAO

1. RE IGIA 54/5.5 AND 5A, WE DO NOT CONSIDER IT FEASIBLE
FOR US REP TO ATTEMPT TO AMEND IN THE AIR TRANSPORT COM-
MITTEE PARA. 26 OF DOC. 9082, PARTICULARLY SINCE OTHER
GOVERNMENTS MAY ATTEMPT TO CHANGE IN THE COMMITTEE ANOTHER
RECENTLY PUBLISHED ICAO DOCUMENT (ANNEX 9- SEVENTH EDITION)
WITH RESPECT TO GROUND HANDLING, WHICH WE OPPOSE.

2. US REP SHOULD REITERATE US OPPOSITION TO REFERENCE AT
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PARA. 19 OF COSTING GUIDELINES TO POSSIBILITY OF TAKING

A SPECIFIC PERCENTAGE OF OPERATING AND MAINTENANCE COSTS AS REPRESENTING COMMON AND ADMINISTRATIVE COSTS. OUR CONCERN ARISES FROM FEAR THAT SUCH PRACTICE MIGHT LEAD TO USE OF PERCENTAGE FACTORS UNRELATED TO ACTUAL COSTS AND COULD ENCOURAGE UNSOUND ACCOUNTING. REMOVAL FROM LAST SENTENCE OF PARA. 19 OF GUIDELINES OF CLAUSE WHICH READS "EVEN IF IT CAN BE NO MORE THAN THE APPLICATION OF A SPECIFIC PERCENTAGE OF OPERATING AND MAINTENANCE COSTS"

WOULD SATISFY US CONCERN.

3. RE COMMITTEE ACTION SUGGESTED IN PARA. 13(B) OF AT-WP/1192 THAT GENERAL FOOTNOTE (QUOTED IN PARA.5) BE ADDED TO APPENDIX 2 OF COUNCIL STATEMENT (DOC.9082) FOR PURPOSE OF CALLING ATTENTION TO EXISTENCE OF GUIDELINES, US REP SHOULD PROPOSE THAT IDENTICAL FOOTNOTE ALSO BE INCLUDED IN BODY OF STATEMENT, PREFERABLY AFTER HEADING ON PAGE 1, SO THAT THE REFERENCE IS NOT BURIED IN AN APPENDIX.

4. US REP MAY SUPPORT ALL OTHER COMMITTEE ACTION SUGGESTED IN PARAGRAPH 13.

5. AN ITEM WHICH MAY BE BROUGHT UP IN ATC DISCUSSIONS IS PROVISION IN GUIDELINES (PARA.22) THAT DEPRECIATION AND AMORTIZATION EXPENSE SHOULD NOT BE ALLOCATED TO USERS WHERE THE FACILITY HAS BEEN ACQUIRED WITHOUT COST TO PROVIDER AND WHERE AGENCY GIVING FACILITY IS NOT PART OF PROVIDER'S GOVERNMENT (E.G., TURN-OVER OF FORMER MILITARY FACILITIES BY ONE GOVERNMENT TO ANOTHER GOVERNMENT). (AT RFCA/2 PANEL MEETING NIGER MEMBER OPPOSED THIS PRACTICE PARTICULARLY IN RELATION TO FACILITIES ACQUIRED THROUGH TECHNICAL ASSISTANCE.) SINCE U.S. ADVANCED IDEA IN RFCA/2, US REP SHOULD INDICATE US SUPPORT OF PARA. 22 AS DRAFTED, USING ARGUMENT THAT DEPRECIATION AND AMORTIZATION OF SUCH "DONATED" FACILITIES WOULD RESULT IN INEQUITY TO USERS.

6. RE COMMITTEE ACTION SUGGESTED IN PARA. 5 OF AT-WP/1193 US REP SHOULD SUPPORT PUBLICATION OF AN ICAO MANUAL ON UNCLASSIFIED

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ROUTE FACILITY ECONOMICS. WE HAVE NO DIFFICULTY WITH MATERIAL RECOMMENDED IN SUB-PARA. (A) FOR INITIAL INCLUSION IN SUCH A MANUAL. WE SEE NO PROBLEM WITH SUB-PARA. (B). RE SUB-PARA. (C), US REP MAY SUGGEST THAT THE GUIDELINES BE SENT TO STATES FOR BOTH INFORMATION AND COMMENT. KISSINGER

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